Form (2)

The Myanmar Investment Commission

PERMIT

Permit No. 543 /2013 Date January 2013

The Myanmar Investment Commission issues this Permit under Section 10 of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR. SONG JAE CHOON

(b) Citizenship KOREAN

(c) Address 301 SEOGANG SKYILLE THE 2ND 116-17 EUNGAM-DONG ,EUNPYEONG-GU, SEOUL , REPUBLIC OF KOREA

(d) Name and Address of principal organization EWHA KNIT CO. LTD. 3-18 BUKGAJWA-DONG, SEODAEMUN-GU, SEOUL , REPUBLIC OF KOREA

(e) Place of incorporation KOREA

(f) Type of business in which investment is to be MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which investment is permitted SURVEY BLOCK NO.25, PLOT NO. 218, SHWE LIN BAN INDUSTRIAL ZONE, HLAING THAR YAR TOWNSHIP ,YANGON REGION

(h) Amount of foreign capital US$ 1.500 MILLION

(i) Period for bringing in foreign capital WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.500 MILLION

(k) Permitted duration of investment 30 YEARS

(l) Name of the economic organization to be formed in Myanmar EWHA KNIT COMPANY LIMITED

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၄၃/၂၀၁၃ ၂၀၁၃ ခုနှစ်၊ ဇန်နဝါရီလ [illegible] ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. SONG JAE CHOON

(ခ) မည်သည့် နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ 301 SEOGANG SKYILLE THE 2ND 116-17 EUNGAM-DONG ,EUNPYEONG-GU, SEOUL, REPUBLIC OF KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ EWHA KNIT CO. LTD. 3-18 BUKGAJWA-DONG, SEODAEMUN-GU,SEOUL ,REPUBLIC OF KOREA

(င) ဖွဲ့စည်းရာအရပ် KOREA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့်အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေတိုင်းရပ်ကွက် အမှတ် ၂၅၊ မြေကွက်အမှတ် ၂၁၈၊ ရွှေလင်ပန်းစက်မှုဇုန်၊ လှိုင်သာယာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁.၅၀၀သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီး (၂)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ၁.၅၀၀သန်းနှင့်ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၀နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် EWHA KNIT COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-743/ 2013(152)
Dated : 2nd January 2013

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for" Manufacturing of Garment on CMP basis" under the name of Ewha Knit Company Limited.**

Reference: Ewha Knit Company Limited. Letter dated (6.11.2012)

1. The Myanmar Investment Commission, at its meeting (1 /2013) held on (2 -1- 2013) had approved the proposal for investment in "Manufacturing of Garment on CMP basis" under the name of "Ewha Knit Company Limited" submitted by Ewha Knit Company Limited of the Republic of Korea as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (Thirty) years commencing from the date of signing of the Lease Agreement for land and buildings and extendable for another10(ten) years2(two)times period by mutual greement between both parties. At the end of the Lease Agreement for land and buildings, Ewha Knit Company Limited shall transfer the leased land and buildings (immovable properties) to the lessor within six months in good condition, ground damages having been refilled and repaired.

4. The annual rent for the land and buildings shall be US $ 100,000 (United States Dollar one hundred thousand only) for a year calculated at the rate of US$ 12.12 per square meter per year. The rate of rent shall be revised in view of prevailing land lease rates after 5 (Five) years period and increase of the rent shall not be more than7% of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Republic of the

Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance following 3 years tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. Ewha Knit Company Limited shall have to sign the Lease Agreement for Land & buildings with U Tin Maung Soe,U Tin Oo and Daw Cho Cho Win. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Ewha Knit Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. Ewha Knit Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. Ewha Knit Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Ewha Knit Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 the

Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section- 2(h) of the said Law, other than foreign currency.

13. Ewha Knit Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)].

15. Ewha Knit Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

16. Ewha Knit Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Ewha Knit Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Ewha Knit Company Limited.

19. Ewha Knit Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the Procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Ewha Knit Company Limited

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Regional Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Construction
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Chairman, CMP Enterprise Supervision Committee
13. Director General, Directorate of Investment and Company Administration
14. Director General, Department of Human Settlements & Housing Development

15. Director General, Directorate of Industrial Supervision and inspection
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)